

First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE ENROLLED ACT No. 1323

AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 21-13-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]:

Chapter 6.5. Medical Residency Education Grants

Sec. 1. (a) The medical residency education fund is established to:

- (1) expand medical education in Indiana; and**
- (2) encourage and promote qualified individuals to complete a residency program in Indiana.**
- (b) The fund consists of the following:**
 - (1) Appropriations by the general assembly.**
 - (2) Gifts to the fund.**
- (c) The commission shall administer the fund. The expenses of administering the fund shall be paid from money in the fund.**
- (d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from those investments shall be deposited in the fund.**
- (e) Money in the fund at the end of a fiscal year does not revert to the state general fund but remains available to be used to provide money to fund residency education program slots as described under**

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this chapter.

Sec. 2. (a) Subject to subsection (b), the money in the fund must be used to provide money to the following:

(1) A hospital licensed under IC 16-21 that is seeking to fund a new residency program slot for a qualified individual to complete a residency program in Indiana.

(2) A nonprofit organization that:

(A) is qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code; and

(B) has the purpose of increasing residency positions in Indiana by funding new residency program slots at hospitals licensed under IC 16-21.

(b) A recipient of money from the fund must agree to provide matching funds equal to at least twenty-five percent (25%) of the money provided.

(c) The commission shall establish an application process for a person seeking money from the fund.

(d) A person receiving funding under this chapter shall provide any information requested by the commission that the commission determines is necessary to administer this chapter.

Sec. 3. The medical education board shall annually make available to the commission the most recent information concerning the number of current residency program slots in Indiana.

SECTION 2. IC 21-44-1-3, AS AMENDED BY P.L.142-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 3. (a) "Board", for purposes of IC 21-44-5, refers to the medical education board established by IC 21-44-5-1.

(b) "Board", for purposes of IC 21-44-6, refers to the mental health and addiction services development programs board established by IC 21-44-6-1.

(c) "Board", for purposes of IC 21-44-7, refers to the graduate medical education board established by IC 21-44-7-2.

SECTION 3. IC 21-44-1-8, AS ADDED BY P.L.2-2007, SECTION 285, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 8. (a) **Except as provided in subsection (b), "fund"** refers to the family practice residency fund established by IC 21-44-5-18.

(b) "Fund", for purposes of IC 21-44-7, refers to the graduate medical education fund established by IC 21-44-7-6.

SECTION 4. IC 21-44-7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY



1, 2015]:

Chapter 7. Graduate Medical Education Board and Fund

Sec. 1. The following definitions apply throughout this chapter:

- (1) "Board" refers to the graduate medical education board established by section 2 of this chapter.
- (2) "Fund" refers to the graduate medical education fund established by section 8 of this chapter.

Sec. 2. The graduate medical education board is established for the following purposes:

- (1) To provide funding for residents not funded by the federal Centers for Medicare and Medicaid Services.
- (2) To provide technical assistance for entities that wish to establish a residency program, including the following:
 - (A) Entities that are not licensed hospitals.
 - (B) Federally qualified health centers.
- (3) To provide startup funding for entities that wish to establish a residency program.

Sec. 3. (a) The board is comprised of ten (10) members appointed by the governor as follows:

- (1) One (1) member representing the Indiana University School of Medicine.
- (2) One (1) member representing a regional medical school campus of the Indiana University School of Medicine.
- (3) One (1) member representing the Marian University College of Osteopathic Medicine.
- (4) One (1) member representing the Indiana State Medical Association.
- (5) One (1) member representing the Indiana Osteopathic Medical Association.
- (6) One (1) member representing the Indiana Primary Health Care Association.
- (7) One (1) member representing a teaching hospital in the Indiana Hospital Association.
- (8) One (1) member representing a nonteaching hospital in the Indiana Hospital Association.
- (9) Two (2) members who are medical directors of residency programs.

(b) Except as provided in subsection (c), a member appointed to the board shall serve for a term of two (2) years. Except as provided in subsection (c), the term of a member appointed under subsection (a)(1) through (a)(4) begins on January 1 of an odd-numbered year. The term of a member appointed under



subsection (a)(5) through (a)(9) begins on January 1 of an even-numbered year.

(c) This subsection applies to a member appointed under subsection (a)(1) through (a)(4) before January 1, 2016. A member to whom this subsection applies serves for a term of one (1) year beginning January 1, 2016.

(d) The governor shall make appointments to the board at the following times:

(1) The governor shall make the initial appointments to the board before January 1, 2016.

(2) Before the end of each year after 2015, the governor shall appoint members to the board to succeed those members whose terms are scheduled to expire at the end of the year.

(3) When a member resigns or is otherwise unable to complete the member's term, the governor shall appoint a member to serve the remaining term of the member who has resigned or who is otherwise unable to complete the member's term.

Sec. 4. (a) The commission for higher education shall provide staff for the board. The commission shall call the first meeting of the board and notify members of the board.

(b) The board members shall designate a chairperson from among themselves. The member designated as the chairperson continues to serve as chairperson until the earlier of:

(1) the first anniversary of the chairperson's designation under this section; or

(2) the date on which the chairperson's term expires.

(c) The board shall meet at the call of the chairperson or at the call of a majority of the appointed members.

Sec. 5. An affirmative vote of at least six (6) members is necessary in order for the board to take any official action.

Sec. 6. The board may contract with consultants to develop a graduate medical education expansion plan.

Sec. 7. (a) The board may award grants to fund infrastructure costs for an entity to expand graduate medical education.

(b) The board may require an entity receiving a grant described in this section to financially participate in the infrastructure expenses in an amount not to exceed twenty-five percent (25%) of the infrastructure expenses.

(c) The board may not distribute funds under this chapter to directly fund residency slots.

Sec. 8. (a) The graduate medical education fund is established within the state treasury. Subject to subsection (b), money in the



fund is to be used for the purposes specified in sections 2(1), 2(3), and 7 of this chapter.

(b) Except as provided in section 7(b) of this chapter, a recipient of money from the fund must agree to provide matching funds equal to at least twenty-five percent (25%) of the money provided.

(c) The fund consists of the following:

- (1) Appropriations by the general assembly.
- (2) Grants.
- (3) Gifts.

(d) The board shall administer the fund.

(e) The expenses of administering the fund may be paid from the fund.

(f) Money in the fund that is not needed to meet the obligations of the fund may be invested in the manner that other public money is invested. Interest or other investment returns on money in the fund become part of the fund.

(g) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 5. [EFFECTIVE JULY 1, 2015] (a) As used in this SECTION, "board" refers to the graduate medical education board established by IC 21-44-7-2.

(b) Before November 1, 2016, the board shall submit a report to the general assembly in an electronic format under IC 5-14-6 with recommendations concerning the expansion of graduate medical education in Indiana. The report must include the following concerning an expansion:

- (1) The costs per resident.
- (2) The expected economic impact on host communities.
- (3) The impact of expansion on access to care in health care underserved areas in Indiana.
- (4) The impact of expansion on physician workforces, including the impact by specialty on medical specialty workforces.
- (5) The level of financial participation that would be expected by a host entity and what would be required of a host entity to participate in an expansion.

(c) This SECTION expires December 31, 2016.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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